



MASENO UNIVERSITY

UNIVERSITY EXAMINATIONS 2016/2017

**FOURTH YEAR SECOND SEMESTER EXAMINATION
FOR THE DEGREE OF BACHELOR OF SCIENCE IN
MATHEMATICS & ECONOMICS WITH INFORMATION
TECHNOLOGY**

MAIN CAMPUS

AEC 406: AGRICULTURAL DEVELOPMENT AND POLICY ANALYSIS

Date: 3rd August, 2017

Time: 3.30 - 6.30pm

INSTRUCTIONS:

- Answer Question ONE(Compulsory) and any other THREE.



QUESTION ONE

- i. ~~Agricultural development policies are from time to time formulated by the government~~ with the aim of solving the major problems facing agriculture;
- a) Explain the reasons for peculiarity of demand and supply as an agricultural problem. (10 marks)
 - b) What are some of the factors attributed to low and fluctuating incomes? (5 marks)
- ii. Land issues are emotive in many countries in Africa. What are some of the reasons for studying land distribution? (10 marks)

QUESTION TWO

- a) Research findings are critical to the success of the Kenya's agricultural sector. Discuss some of the problems facing agricultural research institutions in Kenya. (9 marks)
- b) Highlight some of the policy recommendations needed to address these problems. (6marks)

QUESTION THREE

Farming environment is facing a myriad of problems in most LDCs and if these problems are not adequately addressed by some of the current regimes, then many lives will be uncertain.

- a) What are some of the economic uncertainties that may arise from the agricultural problems? (7 marks)
- b) Explain some of the major economic systems available in an agricultural environment. (8 marks)

QUESTION FOUR

- a) By the use of the principles of indifference curve, explain the occurrence of factor substitution and technical change as applied in agricultural industrialization. (10 marks)
- b) What are some of the arguments for the imposition of land taxes in Kenya? (5 marks)

QUESTION FIVE

Credit system within agriculture are majorly caused by a combination of macro-economic and financial conditions.

- a) Explain the constraints that impair the efforts to successfully roll out credit supply in Kenya. (10 marks)
- b) Suggest some policy recommendations to the issues in (a) above. (5 marks)

QUESTION SIX

Promotion of small holder agriculture is one of Kenya's broad development policies to increase the incomes and employment of Kenya's rural population.

- a) Highlight the importance of small holder agriculture. (5 marks)
- b) What are the problems faced by smallholder production? (5 marks)
- c) Discuss briefly some policy measures to improve the performance of the smallholder farmers. (5 marks)